

July 25, 1968

CONGRESSIONAL RECORD — HOUSE

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ceeds and receipts referred to in section 4 may initially be credited to a special subsidiary fund established by the contractor for that purpose in accordance with procedures prescribed by the General Services Administration.

That is the bill and, as complicated as it may sound, it really provides for an orderly method of operation of this important adjunct to our national defense posture.

AMENDING THE CENTRAL INTELLIGENCE AGENCY RETIREMENT ACT

Mr. PHILBIN. Mr. Speaker, I ask unanimous consent for the immediate consideration of the bill (H.R. 18786) to amend the Central Intelligence Agency Retirement Act of 1964 for certain employees, and for other purposes.

The Clerk read the title of the bill.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

The Clerk read the bill, as follows:

H.R. 18786

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 291 of the Central Intelligence Agency Retirement Act of 1964 for Certain Employees (78 Stat. 1043; 50 U.S.C. 403 note) is amended to read as follows:

"Sec. 291. (a) On the basis of determinations made by the Director pertaining to per centum change in the Price Index, the following adjustments shall be made:

"(1) Each annuity payable from the fund on January 1, 1967, shall be increased on that date by (a) 12.4 per centum for annuities which commence on or before January 1, 1966, or (b) 4.9 per centum for annuities which commence on or between January 2, 1966, and January 1, 1967.

"(2) Each month beginning with November 1966, the Director shall determine the per centum change in the price index. Effective the first day of the third month which begins after the price index shall have equaled a rise of at least 3 per centum for three consecutive months over the price index for the base month, each annuity payable from the fund which has a commencing date not later than such effective date shall be increased by the per centum rise in the price index (calculated on the highest level of the price index during the three consecutive months) adjusted to the nearest one-tenth of 1 per centum.

"(b) Eligibility for an annuity increase under this section shall be governed by the commencing date of each annuity payable from the fund as of the effective date of an increase, except as follows:

"(1) Effective from its commencing date, an annuity payable from the fund to an annuitant's survivor (other than a child entitled under section 221(c)), which annuity commences the day after annuitant's death and after January 1, 1967, shall be increased by the total per centum increase the annuitant was receiving under this section at death; or if death occurred between January 1, 1967, and date of enactment, the per centum increase the annuitant would have received.

"(2) Effective from its commencing date, an annuity payable from the fund to a child under section 221(c), which annuity commences the day after annuitant's death and

after January 1, 1967, shall be increased by (a) 2 per centum if the annuity from which it is derived commenced on or before January 1, 1966, or (b) 1 per centum if the annuity from which it is derived commenced on or between January 2, 1966, and January 1, 1967.

"(3) For the purposes of computing an annuity which commences after January 1, 1967, to a child under section 221(c), the items \$600, \$720, \$1,800, and \$2,160 appearing in section 221(c) shall be increased by 10.2 per centum plus the total per centum increase allowed and in force under section 291(a) (2) for employee annuities, and, in the case of a deceased annuitant, the items 40 per centum and 50 per centum appearing in section 221(c) shall be increased by the total per centum increase allowed and in force under this section to the annuitant at death; or if death occurred between January 1, 1967, and date of enactment, the per centum increase the annuitant would have received.

"(c) Any annuity increased under this section shall be decreased by the amount of increase in force and effect with respect to that annuity under section 291 prior to the date of enactment of this subsection.

"(d) The term 'price index' shall mean the Consumer Price Index (all items—United States city average) published monthly by the Bureau of Labor Statistics. The term 'base month' shall mean the month of October 1966 for the first increase under section 291(a) (2) and thereafter the month for which the price index showed a per centum rise forming the basis for a cost-of-living annuity increase.

"(e) No increase in annuity provided by this section shall be computed on any additional annuity purchased at retirement by voluntary contributions.

"(f) The monthly installment of annuity after adjustment under this section shall be fixed at the nearest dollar, except that such installment shall, after adjustment, reflect an increase of at least \$1."

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

(Mr. PHILBIN asked and was given permission to revise and extend his remarks.)

Mr. PHILBIN. Mr. Speaker, this bill, H.R. 18786, represents a matter of simple equity and justice.

The Congress has passed legislation which permits civil service employees to have their retirement adjusted as the cost of living rises. A relatively few people who are employed by the Central Intelligence Agency do not, for reasons that I will describe, receive these same benefits. This bill will correct this situation and place these CIA people in the same position as their counterparts in the civil service.

Very simply stated the situation is this: Civil service employees receive a cost-of-living increase in their retirement after any 3 months of 3-percent increase in the Consumer Price Index. The few people in the CIA that this bill covers receive such an increase only when the 3-percent increase extends over a period of a whole year and even then they do not get it until April of the succeeding year. There is no rhyme or reason why these people in the CIA should not be treated in the same fashion as civil serv-

ice employees and it is only, in a sense through an inadvertence that this situation exists. Last year for example, these CIA people missed a cost-of-living increase by only two-tenths of 1 percent.

The bill before you will once more bring the cost-of-living provisions in the agency retirement system back into phase with the similar provisions of the Civil Service Retirement Act and will provide the same increases that have been provided since 1965 in the civil service system.

CIA personnel serve under two retirement systems. About 75 percent are covered by the civil service system. The remainder are covered by the CIA retirement system enacted in 1964 as Public Law 88-643. At that time both systems contained similar provisions for cost-of-living adjustment of annuities.

Public Law 87-793, approved in October 1962, established the first cost-of-living adjustment formula for the civil service retirement system. As a part of the cost-of-living adjustment concept that law also provided 1965 civil service retirees a 2-percent annuity adjustment—1 percent for 1966 retirees. No such adjustment was provided for personnel covered by the CIA system.

In September of 1965 the civil service provision was changed by Public Law 89-205 so that the minimum period for measuring percentage increases to trigger an adjustment was compressed from 1 calendar year to 3 consecutive months. Thus an actual increase could occur after any 3 months of 3 percent increase in the Consumer Price Index as against the old requirement of an average 3-percent increase for a full calendar year plus a 3-month waiting period. Furthermore, the December 1965 increase under the new civil service formula reflected the accumulated increases in the CPI since 1962.

The more responsive civil service formula has generated a total of three increases whereas the formula for the CIA system, passed in October 1964, has produced only one increase. This is clearly illustrated by applying actual increases in force and effect under each system to a typical retirement case. An employee who retired in July 1965 under the civil service system with a \$6,000 basic annuity receives \$7,009 per annum at present as a result of automatic annuity adjustments. In contrast, an employee retiring at the same time under the CIA system and with the same basic annuity is now paid \$6,276 per annum. I intend to insert in the Record as part of my statement charts which graphically illustrate inequities which now exist and which would be corrected by this bill.

The bill affords equitable treatment to CIA retirees by providing them the same increases already granted civil service retirees. It also assures that future cost-of-living adjustments under the CIA retirement system are in consonance with future increases granted under the present civil service retirement law. That is all it does.

The charts referred to follow:

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CHART 1.—COST-OF-LIVING ADJUSTMENTS TO AN ASSUMED \$6,000 ANNUITY FROM JULY 1, 1965

| Date | Civil service, existing law | CIA, existing law | CIA, H.R. — |
|--------------|--|---|--|
| July 1, 1965 | Annuity of \$6,000..... | Annuity of \$6,000..... | Annuity of \$6,000. |
| Do..... | 2 percent increase equals \$120 (Public Law 87-793), \$6,120. | None..... | None. |
| Dec. 1, 1965 | 6.1 percent increase equals \$373 cost-of-living adjustment (including 1.5 percent, Public Law 89-205), \$6,493. | Do..... | Do. |
| Jan. 1, 1967 | 3.9 percent increase equals \$353 cost-of-living adjustment, \$6,746. | Do..... | 12.4 percent increase equals \$744 cost-of-living adjustment, sec. 291(a)(1), \$6,744. |
| Apr. 1, 1967 | None..... | 4.6 percent increase equals \$276 cost-of-living adjustment, \$6,276. | Existing 4.6 percent increase offset, sec. 291(c). |
| May 1, 1968 | 3.9 percent increase equals \$263 cost-of-living adjustment; current annuity, \$7,009. | None; current annuity, \$6,276. | 3.9 percent increase equals \$263 cost-of-living adjustment, sec. 291(a)(2); current annuity, \$7,007. |

CHART 2.—COST-OF-LIVING ADJUSTMENTS TO AN ASSUMED \$6,500¹ ANNUITY FROM JULY 1, 1966

| Date | Civil service, existing law | CIA, existing law | CIA, H.R. — |
|--------------|--|---------------------------------|--|
| July 1, 1966 | Annuity of \$6,500..... | Annuity of \$6,500..... | Annuity of \$6,500. |
| Do..... | 1 percent increase equals \$65 (Public Law 87-793), \$6,565. | None..... | None. |
| Jan. 1, 1967 | 3.9 percent increase equals \$256 cost-of-living adjustment, \$6,821. | Do..... | 4.9 percent increase equals \$319, sec. 291(a)(1), \$6,819. |
| May 1, 1968 | 3.9 percent increase equals \$266 cost-of-living adjustment; current annuity, \$7,087. | None; current annuity, \$6,500. | 3.9 percent increase equals \$266, sec. 291(a)(2); current annuity, \$7,085. |

¹ Amount of assumed annuity for 1966 is increased \$500 over the amount shown for 1965 in chart 1 to reflect probable increase based on higher high-5 average salary.

CHART 3.—COST-OF-LIVING ADJUSTMENTS TO AN ASSUMED \$7,000¹ ANNUITY FROM JULY 1, 1967

| Date | Civil service, existing law | CIA, existing law | CIA, H.R. — |
|--------------|--|---------------------------------|--|
| July 1, 1967 | Annuity of \$7,000..... | Annuity of \$7,000..... | Annuity of \$7,000. |
| May 1, 1968 | 3.9 percent increase equals \$273 cost-of-living adjustment; current annuity, \$7,273. | None; current annuity, \$7,000. | 3.9 percent increase equals \$273 cost-of-living adjustment, sec. 291(a)(2); current annuity, \$7,273. |

¹ Amount of assumed annuity for 1967 is increased \$500 over the amount shown for 1966 in chart 2 to reflect probable increase based on higher high-5 average salary.

Mr. BRAY. Mr. Speaker, will the gentleman yield?

Mr. PHILBIN. I yield to the gentleman from Indiana.

(Mr. BRAY asked and was given permission to revise and extend his remarks.)

Mr. BRAY. Mr. Speaker, what H.R. 18786 will do has been well described by the gentleman from Massachusetts [Mr. PHILBIN].

The bill is of course very simple indeed. It merely places a few people in CIA who are engaged in what is called rotational service abroad or are engaged in hazardous duties in the same position as the regular civil service people and our 3½ million military people who receive cost-of-living increases under existing law.

The people who are involved in this bill represent a small percentage of the employees of the Central Intelligence Agency. They may retire at age 50 with 20 years of Government service, 10 years of which must be with the CIA.

In virtually every respect this retirement system is the same as that for FBI agents and other law-enforcement personnel.

The reasons for this special system are obvious. The personnel must be in a younger age group because of their duties in support of clandestine operations or other hazardous duty and they almost by necessity must be retired at an earlier age than the mandatory retirement age of 70 provided for civil service employees.

The bill will not do one single thing other than bring these people into the same position as the civil service retirees and the military retirees.

Of course the House has already passed this legislation in a more extensive bill back in 1966. The Senate failed, however, to take action on this bill which contained the legislation we are considering today along with a number of other provisions.

In the fewest possible words, what the bill will do is change the minimum period for measuring cost-of-living percentage increases from 1 calendar year to 3 consecutive months—and this is the situation today with respect to our other military and civilian people who are retired.

THE HIGHER EDUCATION AMENDMENTS OF 1968

Mr. PERKINS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill (H.R. 15067) to amend the Higher Education Act of 1965, the National Defense Education Act of 1958, the National Vocational Student Loan Insurance Act of 1965, the Higher Education Facilities Act of 1963, and related acts.

The SPEAKER. The question is on the motion offered by the gentleman from Kentucky.

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the bill H.R. 15067, with Mr. VANIK in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee rose on yesterday, it had agreed that title I of the committee substitute amendment ending on page 20, line 21, would be considered as read and open to amendment at any point.

Are there any amendments to title I?

If not, the Clerk will read.

The Clerk read as follows:

TITLE II.—AMENDMENTS TO COLLEGE LIBRARY ASSISTANCE AND LIBRARY TRAINING AND RESEARCH PROGRAMS

PART A—COLLEGE LIBRARY RESOURCES

EXTENSION OF PROGRAM

SEC. 201. (a) The first sentence of section 201 of the Higher Education Act of 1965 is amended by inserting after "two succeeding fiscal years," the following: "\$25,000,000 for the fiscal year ending June 30, 1969, and \$35,000,000 for the fiscal year ending June 30, 1970."

(b) The second sentence of such section is amended by striking out "1969, and the succeeding fiscal year" and inserting in lieu thereof "1971, and the two succeeding fiscal years".

ELIGIBILITY OF BRANCH INSTITUTIONS FOR SUPPLEMENTAL AND SPECIAL PURPOSE GRANTS

SEC. 202. (a) (1) The first sentence of section 203(a) of such Act is amended by inserting after "institutions of higher education," the following: "(and to each branch of such institution which is located in a community different from that in which its parent institution is located)".

(2) The second sentence of such section is amended by inserting "(or branch)" after "institution".

(b) Section 204(a) (2) (A) of such Act is amended by inserting after "institutions of higher education" the following: "(or to branches of such institutions which are located in a community different from that in which the parent institution is located)".

(c) Section 204(a) (2) (B) of such Act is amended by inserting after "institutions of higher education" the following: "(or to such branches)".

REVISION OF MAINTENANCE-OF-EFFORT REQUIREMENT FOR SPECIAL PURPOSE GRANTS

SEC. 203. (a) Section 204(b) (2) of the Higher Education Act of 1965 is amended by inserting after "June 30, 1965" the following: ", or during the two fiscal years preceding the fiscal year for which the grant is requested, whichever is less".

(b) The amendment made by subsection (a) shall be effective with respect to applications for grants payable on or after the date of the enactment of this Act.

PART B—LIBRARY TRAINING AND RESEARCH, AND LIBRARY SCHOOL DEVELOPMENT

EXTENSION OF PROGRAM

SEC. 221. (a) The first sentence of section 221 of the Higher Education Act of 1965 is amended by inserting after "two succeeding fiscal years," the following: "\$11,800,000 for the fiscal year ending June 30, 1969, and \$28,000,000 for the fiscal year ending June 30, 1970."

(b) The second sentence of such section is amended by striking out "1969, and the succeeding fiscal year" and inserting in lieu thereof "1971, and the two succeeding fiscal years".